Prepared Remarks for U.S. Attorney Preet Bharara
Tronox Settlement Press Conference
April 3, 2014

Good afternoon. My name is Preet Bharara, and I am the United States Attorney for the Southern District of New York.

If you are responsible for 85 years of poisoning the earth, then you are responsible for cleaning it up. That is why this case was brought; that is why we are here today; and that is why Anadarko is paying a record $5.15 billion dollars – to fund that colossal cleanup and to make things right.

As the Deputy Attorney General has described and as the government's litigation established, the old Kerr-McGee Corporation, for the better part of a century, left contamination and environmental disaster in its wake

Kerr-McGee had long tried to avoid the cost of decades of contamination from its mining, wood-treating, and other polluting businesses. Wherever possible, it ignored or delayed addressing these massive environmental harms, and by doing so, it put the burden of this contamination on communities, on individuals, and on governments throughout the country. It polluted indiscriminately and left others holding the toxic tab.

- For example, at one significant site in Manville, New Jersey, the EPA has had to spend hundreds of millions of dollars to fix what Kerr-McGee wrought.

- After Kerr-McGee abandoned that site in Manville, a residential development was built on top of it. Those families didn't know that their homes were built on top of pools of toxic waste until 1996, when sludge literally began to bubble up into one resident's basement, and 1997, when a sinkhole developed in a street and creosote waste was found at the bottom. Ultimately, creosote was found across this community, and taxpayers had to foot the bill for that cleanup.

- The Navajo Nation was especially hard hit by Kerr-McGee's decades of polluting:

  - In the Lukachukai Mountains and the Churchrock area of the Navajo Nation, Kerr-McGee left behind piles of radioactive waste when it stopped mining uranium.

  - In Churchrock, this radioactive waste sits near people's homes; in the mountains, it sits in places where the Navajo locate summer sheep-herding camps; where they hunt; and where they go for religious ceremonies.

  - Testimony in the case established that radioactive mining waste has also affected the water of the Navajo Nation – people's drinking water and also water drunk by the livestock that the Navajo depend on.

- Because of the risk that Navajo children might swim in the contaminated water, the Navajo Nation felt compelled to distribute a comic book warning children to avoid the radioactive uranium. That's what it came to – Kerr-McGee avoided its responsibilities, and children had to be warned away from swimming in contaminated waters.

These are just some examples. There are scores more, and that's why the tab for the cleanup is so astronomical. But facing massive liabilities from the mess that it left in dozens of sites across the country, Kerr-McGee sought simply to walk away from it all through a corporate shell game.

It took a public trial in which the company's fraudulent conduct was revealed and the Court's devastating findings of liability to pave the way for today's historic settlement.

In its decision, laying out in great detail the company's misconduct, the Court found:

- That "there can be no dispute that [old] Kerr-McGee acted to free substantially all of its assets – certainly its most valuable assets – from 85 years of environmental and tort liabilities."

- That there was "overwhelming" evidence that the defendants engaged in "a single integrated scheme" to separate Kerr-McGee's most valuable assets from its legacy environmental liabilities; and

- That the contentions of company executives that the asset transfer had nothing to do with the cleansing of assets were totally incredible and "not rooted in reality."

As the Deputy Attorney General has explained, most of the more than $5 billion recovered today from Anadarko will be used to clean up the mess. And that is as it should be.

With today's settlement, we are holding to account a company that tried to keep its rewards and shed its responsibilities by playing a corporate shell game – putting its profitable oil-and-gas business in a new entity and leaving behind a bankrupt shell holding environmental liabilities from the defunct and polluting lines of business.

The company tried to cleanse its valuable business from its toxic legacy liabilities. Now it will pay to cleanse the land and water.

I want to thank all of the many agencies whose lawyers and staff helped pursue this litigation, ultimately resulting in today's resolution, including the EPA, the U.S. Forest Service, the U.S. Fish & Wildlife Service, the Bureau of Land Management, the Nuclear Regulatory Commission, the National Oceanic and Atmospheric Administration, and the Department of Defense.

I also want to thank the Litigation Trustee appointed in the Tronox bankruptcy, and his counsel, who have litigated this case with us in

the bankruptcy, and the state and tribal governments that have helped in the prosecution of this case.

Special thanks to acting Assistant Attorney General Bob Dreher and the fine and dedicated lawyers at the Environment and Natural Resources Division who have worked with our Office on the case.

Finally, I want to recognize and thank Robert Yalen, the chief of my Office's Environmental Protection Unit, for his tireless work on this case, as well as our Civil Division Chief, Sara Shudofsky.